

Message Text

LIMITED OFFICIAL USE

PAGE 01 SEOUL 09922 240535Z

21

ACTION EB-07

INFO OCT-01 EA-07 ISO-00 AID-05 CCO-00 CIAE-00 OTPE-00

FCC-01 INR-07 NSAE-00 OC-05 USIA-06 COME-00 BIB-01

DODE-00 /040 W

----- 016801

R 240440Z DEC 75

FM AMEMBASSY SEOUL

TO SECSTATE WASHDC 4674

INFO USDOC WASHDC

LIMITED OFFICIAL USE SEOUL 9922

EO 11652: N/A

TAGS: ETEL, BEXP

SUBJECT: ROK TELECOMMUNICATIONS PROJECT

REF: A. STATE 294790, B. STATE 299452

1. EMBASSY WARMLY APPRECIATES EFFORTS BY WASHINGTON AGENCIES IN ATTEMPTING TO LINE UP FEASIBILITY STUDY. WITH REPLACEMENT OF MINISTER OF COMMUNICATIONS ON DECEMBER 19, WE ARE MOVED BACK NOT JUST SEVERAL SQUARES BUT ALL THE WAY TO SQUARE ONE. WILL ADVISE FURTHER WHEN SITUATION CLARIFIES.

2. WE HOPE PREVIOUS REPORTING HAS MADE CLEAR WE HAVE BEEN CONFRONTED BY THE FOLLOWING SITUATION: EXISTING LOCAL PRODUCER OF EMD TELEPHONE CENTRALS, GOLD STAR, IS PART OF A SUBSTANTIAL BUSINESS GROUP WITH CLOSE PERSONAL TIES AT HIGHEST LEVEL OF ROKG. IT IS MAKING SUBSTANTIAL PROFITS FROM ITS MONOPLY POSITION AS SIEMENS' LICENSEE. ANY DELAY IN PURCHASE IN ESS EQUIPMENT BENEFITS SIEMENS WHICH NOT AS YET IN AP POSITION TO OFFER FULL ELECTRONIC TECHNOLOGY. THUS, THE PLANNED TELEPHONE SWITCHING RESEARCH INSTITUTE TO DEVELOP KOREA SWITCHING TECHNOLOGY DENOVO IS CONSIDERED SMOKE SCREEN BY MOST OBSERVERS. WE REPEATEDLY HAVE BEEN TOLD THE MINISTRY OF COMMUNICATIONS (MOC) WAS INSTRUCTED NOT

LIMITED OFFICIAL USE

PAGE 02 SEOUL 09922 240535Z

TO ENTERTAIN ANY CONTACTS WITH FOREIGN VENDORS OF TELEPHONE

SWITCHING CENTRALS. ECONOMIC PLANNING BOARD OFFICIALS HAVE BEEN DISSATISFIED WITH EXISTING SITUATION BUT UNABLE OVERTURN MOC POLICY FOR LACK OF TECHNICAL EXPERTISE IN THIS FIEFLD. IF WE INTERPRET PREVIOUS SITUATION CORRECTLY, DEPUTY PRIME MINISTER WAS UNWILLING TO CONFRONT MINISTER AND FORCE ISSUE. THUS, IT WAS FELT WITHIN EPB THAT ONLY SOMEONE WITH THE PRESTIGE OF JACK BAIRD COULD PERSUADE THE HIGHEST LEVELS OF THE ROKG TO REVERSE THE INTENDED COURSE OF ACTION; E.G., TO CONTINUE BUYING EMD WHILE DEVELOPING KOREAN ESS CAPABILITY. THIS WAS THE PURPOSE OF THE BRIEF VISIT. IT WAS ALWAYS CONTEMPLATED ONCE A POLICY DECISION HAD BEEN TAKEN TO RECONSIDER ALTERNATIVES, THE FULL FEASIBILITY STUDY WOULD AUTOMATICALLY HAVE TO FOLLOW.

3. WITH THE REPLACEMENT OF THE MINISTER OF COMMUNICATIONS, WHO HAD ONLY BEEN IN OFFICE SOME 15 MONTHS, BY AN ARMY GENERAL WHO APPARENTLY HAS HAD NO PREVIOUS EXPERIENCE IN COMMUNICATIONS, WE NEED TO RESTUDY THE ENTIRE SITUATION.

4. TURNING NOW TO THE QUESTIONS POSED IN REF. A, WE CONFIRM WE HAD IN MIND TWO SEPARATE STUDIES AS CITED IN PARA ONE. WITH REGARD TO PARA TWO, IS QUITE TRUE A RECOMMENDATION FOR ESS COULD CONCEIVABLY BENEFIT JAPAN SUPPLIERS. IT IS ALSO TRUE CONTINUATION OF THE EXISTING SITUATION BENEFITS ONLY SIEMENS. RE PARA THREE, WE DO NOT HAVE DETAILS ON EPB CONTACTS WITH BAIRD, RE PARA 4, ROKG THOUGHT UNDP FUNDS EARMARKED FOR COMMUNICATIONS MIGHT BE USED TO FINANCE ONE OR BOTH PHASES OF TELEPHONE STUDY. QUESTIONS POSED IN PARA FIVE ARE DIFFICULT TO ANSWER AT THIS TIME. TIMING IS UNCERTAIN. WE ASSUME ROKG WOULD PREFER FEASIBILITY STUDY CONDUCTED BY FIRM NOT TIED TO EQUIPMENT SUPPLIERS. COMPETITION HAS BEEN VERY QUIET. WE HAVE NOT HEARD ANY MENTION OF JAPANESE ACTIVITY, AND ITT HAS DECIDED TO CONTINUE LOW PROFILE FOR TIME BEING. L.M. ERICSON APPARENTLY UNABLE TO COMPETE, AND NORTHERN TELECOM FAR EAST REP TOLD EMBOFF THAT HIS COMPANY WAS "TOO LITTLE, TOO LATE" FOR THIS PROJECT. WITH REGARD TO QUESTIONS POSED PARA THREE OF REF. B, WE WILL CONSULT WITH EPB AND COME BACK TO YOU. SNEIDER

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TELEPHONE SYSTEMS, INVESTMENT OPPORTUNITIES
Control Number: n/a
Copy: SINGLE
Draft Date: 24 DEC 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: MorefiRH
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975SEOUL09922
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750446-0556
From: SEOUL
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19751211/aaaaajjn.tel
Line Count: 99
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 76 STATE 294790, 76 STATE 299452
Review Action: RELEASED, APPROVED
Review Authority: MorefiRH
Review Comment: n/a
Review Content Flags:
Review Date: 16 JUL 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <16 JUL 2003 by ShawDG>; APPROVED <06 AUG 2003 by MorefiRH>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: ROK TELECOMMUNICATIONS PROJECT
TAGS: ETEL, BEXP, US, KS
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006